



Nine Sales Principles to Help Grow Lab Revenues

By Peter T. Francis

3-12

When a lab hires a field representative to sell its services to physician offices, hospitals, etc., every hiring manager should explain the *true* realities of the job before asking anyone to take the position. It is not an easy occupation by any stretch, and it takes an individual with certain characteristics to be successful. In addition to inherent traits, master class field people take time to “study” the job requirements. This includes continuous sales training via role-plays and classroom forums provided by the employer, observational feedback by an experienced coach through field encounters, reading books, magazines and on-line articles of various sales and industry-related topics and attending industry conferences and webinars.

There are a number of basic principles a field marketing person should know in an effort to be best-in-class. This paper outlines nine important points that will help a rep move forward in lieu of being stuck in a rut, which can give way to under-performance. The explanations are only the tip of the iceberg — individual pursuits, classroom training and in-the-field coaching should be applied to broaden and strengthen each of the nine topics.

Point 1: Strategy Is the Foundation

History contains many examples where much smaller armies and naval flotillas were successful over larger forces. The same remains true in business. It all comes down to having a superior strategy.

To survive in selling lab services, you need a strategy — a plan of action. Anyone who has spent time in this industry can tell stories of how a long-standing client was “locked in”, but a competitor stole business away because the incumbent representative failed to realize certain warning signals. There has been many times in which a marketing person felt he/she had a slam-dunk sale, only to find out some other lab rep covertly won the account. A specific and clearly identifiable reason always exists as to why someone loses a current account or a potential sale. It could be due to political/emotional logic, which is understandable. However, in other situations, winning usually comes down to having a superior strategy that takes into account a number of elements.

Some of the strategic key constituents include the rep's starting position, legitimate business reason, influencers, warning signals, response modes, competition and basic differences. Each of these categories holds numerous sub-points that successful labs train their representatives on — and then the field person assiduously studies and practices the concepts with each account/prospect with the help of a coach.

Point 2: If You're Not Sold, Your Prospects Won't Be Either

This statement stands tall as trite and hackneyed, but it cannot be ignored. Many lab sales reps across the United States feel they work for a “me-too” lab. *“There's not much difference between my lab and our main competitors. I mean, we offer courier pick-up, have convenient phlebotomy stations around town, offer next day results on routine tests, have a competitive connectivity product, easy to reach Client Service Department we're just a me-too lab. I guess I'm going to have to find a client who's upset with their lab for some reason and then maybe I can convince them to try my lab service.”* This equates to “self-talk” — a manifestation of everything a rep has heard or believed about him- or herself and their job. This “self-talk” will define the amount of motivation and achievement the field person puts forth. If the rep is not sold on all of the advantages and benefits his lab can offer, he will have an up-hill battle and feel very uncomfortable when face-to-face with a client. It all distills down to a mental, inside job — and it anchors a rep's personal level of drive and willingness to operate at the apex of his abilities.

The representative needs to start with some *proactive* self-talk, providing a more positive outlook and more valuable expectation of his/her lab's capabilities. Yes, it means understanding the lab inside and out, upside and down, and it also means doing the same with the competition. It all starts in the mind — long before getting in front of a client and asking questions, presenting the lab's services, handling objections and closing.

Point 3. If You Have No Qualified Prospects, Forget It

A business colleague recently mentioned his concern about his sales team's lack of prospecting. Frankly, in the world of lab services, this is not uncommon. “Hybrid” lab reps (performing both sales and service functions) can easily be content by allocating more time with clients as opposed to calling on potential customers. The feeling decodes into a natural tendency to consume time with people who know you and welcome you into their business setting. However, the reality of representing a lab — assuming responsibilities lie with activating new business — requires a field person to have many prospects in the hopper. Salespeople fail sometimes as a result of not developing a sufficient supply of *qualified* clients. This begs the question: who is a qualified customer? Lab owners, lab directors, sales directors — anyone overseeing the sales component — may have differing definitions of the term “prospect.” In some circles, the definition equates to a facility that:

- Has a *current* need for a different lab service because there are problems and/or issues causing the client to look at alternatives to fill a gap.
- Has a degree of trust in the proposing lab and the sales rep.
- Will eagerly listen to what a lab rep has to say.

Other lab sales leaders will agree with the above definition but also add this interpretation:

- *Any* account that has been qualified as someone with whom the lab *could* do business with at a future point in time, but there exists no immediate need to consider changing lab services.

Unfortunately, “trust and credibility” remain difficult to measure, and it typically lives within a subjective viewpoint of the representative. *Client* opinions may be polar opposite from the field person’s perception (or wishful thinking).

Make no mistake about the title of this section on prospecting. It subsists as a crucial principle to everyone whose job description and management expectation points to increasing business.

Point 4. Being Valued and Trusted Is More Important Than Being Liked

In a previous article written by this author (*Personalize Your Selling Strategy*, MLO, Aug, 2011), there contains a section on the “Relationship Staircase” describing the various steps representatives ascend during the course of building a solid rapport with clients and prospects. The steps are (in ascending order):

People who value a relationship with you
People who respect you
People who are friendly with you
People who like you
People who know your name
People who do not know your name

Notice “people who like you” sits only in the middle of the staircase. The last two steps, however, endure as the most challenging and time-consuming to achieve. After some time in the field and with consistent visibility, many business relationships are at the “like you” step— or maybe at the “friendly with you” stage. However, the *successful* sales representative yearns to progress higher, and he does so partly by doing unexpected, unselfish acts. This could translate into sending a birthday card, finding an article pertaining to someone’s interest or maybe a review of a book, movie or play the customer mentioned. There are many things a rep can do to gain more respectability (and, of course, keeping compliance in perspective).

Those who (1) match the pace and attitude of the prospect, (2) comprehend what the client wants/needs in a lab service, (3) provide educational material that helps the customer, (4) build credibility and (5) allow the process to move in a natural manner will usually ascend to the top of the staircase over time.

Point 5. Selling Is All In the Questions

Socrates, the Greek philosopher, lived from 469 BC to 399 BC. At around 2,400 years ago, he became a master at something withstanding the test of time — asking questions as a means of persuasion. Huh? Socrates could persuade extremely effectively — and he was a philosopher, *not* a salesman!

The art and science of sales conflates into what and how you ask and what you hear — more so than what you say. Something called “confirmation bias” enters the picture under the subject of questioning: people value more what *they* say and their *own* conclusions *more* than what they are told. Consequently, it makes sense to ask questions and have the *customer* draw his/her own realization there may be alternative solutions. A typical problem persists whereby many salespeople jump in with solutions before the client has developed a clear need to solve a problem. Representatives develop a “story” about their lab’s wonderful service. They believe in their presentation, their ability to be persuasive and the powerful closing techniques they use. It becomes all about describing company attributes — describing ‘til the seller is blue in the face. However, this bores the customer whose mind will tend to wander: “*I honestly don’t care*” — which leads to — “*I’ve got more important things to do than listen to someone babble on like this.*” The representative has offered no new insight, no new discovery — basically, nothing of value to the customer. In other words, there is no “value creation.”

Qualifying the account by asking up-front questions will usually yield a significant amount of important data for the representative to assimilate prior to any presentation. This qualifying portion may be with the front desk personnel, the office/lab manager, the person in charge of send-outs, the health care provider — almost anyone within the client’s domain.

The importance lies in developing *needs* during a sales encounter. Using helpful and insightful questions should guide the client down the path to exploit those needs as opposed to tell, tell, tell.

Point 6. After the Questions, It’s All About Offering Solutions

If someone asks a sales rep, “*What do you do for a living?*” the response could very well be, “*I provide solutions to those who aren’t getting all they could from their laboratory service.*”

It goes without saying many laboratory users are content with their incumbent lab — there is no apparent need to change anything. On the other hand, there subsist a small percentage of people who are not happy — and they’re looking for an alternative source. Additionally, there may be some things your lab offers that the prospect perceives as a “better mouse trap.” Things begin to appear differently as the rep asks more questions. It could be in the areas of a different methodology on a certain test, a different transport supply, faster turnaround time, EMR connectivity, expanded hours at a patient service center, pick-up times, call-backs on critical results, the report format, billing policies, the requisition form — and on and on.

In essence, the salesperson acts not so much in a role of “selling” his lab service but rather playing the part that allows the customer to “buy” what he/she legitimately feels they need (or gain the most) from a lab. Unfortunately, things get in the way of this situation: ego, lack of confidence, failure to listen intently, believing the rep knows what’s best for the customer in spite of other evidence, making false assumptions about the client’s position and/or not having a complete understanding of their own lab’s capabilities and policies.

To state a simple truth: successful reps do their selling in such a way whereupon he/she asks the right questions and then presents their services within the context of how it addresses the prospect's implicit or explicit needs, wants or circumstances. Again, the rep sells *solutions*.

Point 7. Objection Prevention Trumps Objection Handling

In the area of sales, there exist a couple of truisms about objections:

1. The field person may create the objection, not the prospect.
2. The successful representatives receive fewer objections because they have learned the art of objection *prevention*.

Within the subject of objections, one must discuss the word *features*. For someone new to selling lab services, it becomes very easy to talk about the features of the lab: 24-hour turnaround, daily courier pick-ups, convenient patient draw centers, an intuitive connectivity product, full-service testing capabilities, board-certified pathologists, and so forth. Depending upon the features discussed (beyond the basics), features may, in fact, *increase* the client's concerns and become the breeding ground for objections. For example, a rep may excitedly say, "We can install an icon on your computer so you can easily get test results", to which the office manager responds, "Oh, that wouldn't work in this office. This office doesn't have Internet connectivity." What happened here? The marketing person simply *assumed* the office would want on-line results. By describing the feature, he has dug himself into a hole and created a negative atmosphere.

Features have a flip side: benefits. People understand benefits more clearly as it relates to their own setting. The rep has to translate for the customer *how* the features meet the expressed needs — in other words, how the benefits tie to the features. This is why it remains so important to (1) find out what is relevant (what the rep in the above scenario did not do) and (2) develop needs first *before* talking about features and benefits. And — to develop needs — the rep has to ask insightful questions. Equally critical, he has to be fluent in knowing what separates his/her lab from the competitive offerings.

In many cases, a prospect will object or stall the sale if one or more of these six statements are true:

1. There has not been sufficient trust built
2. The right questions have not been asked
3. The right questions have been asked, but the rep has not listened to the answers
4. The salesperson presented the wrong solution
5. There has not been enough value creation, offsetting the "no interest" attitude
6. The sales rep has tried to move the sales process along too quickly

In the world of laboratory services, customers have three main categories of objections. The first and most common equates to an *excuse*. An excuse lives in the context of a reason given to conceal the *real* reason for an action. A statement such as ".....*your lab is too far away*" or ".... *the print on your requisition is too small*" — these might be considered excuses. The second category is *objection*. This can be defined as an expression of opposition, disapproval or

challenging. An example could be, “...I don’t like your lab report — it’s difficult to read” or “...Your lab doesn’t use the method I need for XYZ test.” The third category holds a place called a *condition*. This means there stands a genuine condition for not moving forward with any more discussion. Examples may be: “We have many patients with XYZ insurance and your lab doesn’t accept that coverage” or “.....the hospital owns this practice, and we’re expected to support their lab.” In some cases, either “objection” or “condition” may be expressed as an easy “excuse” to alleviate the client from talking any more. Depending upon the situation, it may be best to confirm that the objection/condition truly impacts further discussion.

Point 8. Closing Is More than Using Overused Closing Techniques

No other area of sales seems to be as popular as closing. There exists a universal proverb: “The ABC of selling translates to Always Be Closing.” The definition of a close remains paramount. A close equals *anything* that puts the customer in a position involving some kind of commitment. Period. It could pertain to meeting an objective: getting an appointment with the decision-maker or setting up a lab tour. Or, it could be an agreement to give the representative a test mix. The point is, a “close” is *more* than just getting the client to say “yes” to use a different lab.

The second important point rests with the fact people tend to be immune to traditional and corny closing techniques when it comes to large sales. In settings involving a small sale, however, selling pressure seems to work fairly effectively. Thus, asking, “*Would you like to buy this ink pen or this other one?*” people tend to move forward and make a purchase due to the “pressure.” However, this type of alternative closing technique may turn off a prospect when dealing with more involved, more thought-provoking services such as using a laboratory.

The ideal situation is to have the client close him- or herself. One accomplishes this through adroit questioning techniques and by knowing the lab’s basic differences over the competition. As the famous author and playwright, E.E. Cummings, once said, “Always the beautiful answer who asks a more beautiful question.” It is the idea that questions from the salesperson can create *discovery* in the prospect’s mind — questions can create customer ah-Ha moments. Once that occurs, closing becomes far more easy and effective. Bottom line, closing consists of more than using banal methods — a whole lot more.

Point 9. Know Your Own Lab and All Your Competitors — In Your Sleep

The title of this section expresses the obvious — but it will always be a topic requiring constant attention. Most sales managers and directors will admit their field teams do not know their opposition well enough. In simple terms, one cannot sell effectively unless he/she understands what the competitors offer versus his own lab. The list of differences inhabits a broad range: in-house testing capability, name and location of referral lab, time of pick-up, lab location, professional staff, client service and billing phone hold-times, methodologies, report format, turnaround time on routines and send-outs, billing protocols, pricing, components of certain profiles, patient draw center locations and hours/days of operation, morning wait times at drawing centers, courier logistics, supply turnaround time, educational materials, lab heritage — the checklist appears to extend *ad infinitum*. Successful salespeople are knowledgeable

about these intricate details, and they use it to their advantage to question their way through to a positive outcome.

A thought-provoking inquiry comes from an office manager or head physician: *“Don’t give me all this stuff about great turnaround time, high quality testing, good customer service, EMR connectivity, patient draw centers — I get all of that from my current lab. Tell me what makes your lab so different than the one I’m using now.”* If this question shocks a representative like a deer in the headlights or if he fumbles around with obvious discomfiture, the marketing person doesn’t know his lab or the competition well enough. Differentiating one’s lab service should be a comfortable activity *after* uncovering what the customer feels is important to their situation. It remains a constant discipline to unearth differences between the seller’s lab and his competition. This can be accomplished through intensive internal training and then, from the competitive side, questioning clients, general observations, reviewing the website and marketing literature and, sometimes, even calling the lab.

In conclusion, these nine topics offer only a brief synopsis of major sales principles. It does not matter if the job equates to a service executive who wants to increase revenues from established accounts or someone whose responsibility lies solely in new business development. If labs want to be successful, they should teach and offer coaching in these subjects in an effort to have their field personnel at the top of their game — every day.

*Peter Francis is president of **Clinical Laboratory Sales Training, LLC**, a unique training and development company dedicated to helping laboratories increase their revenues and reputation through prepared, professional and productive representatives. He has authored over thirty articles, the majority of which have been published in industry-related magazines. Visit the company’s web site at www.clinlabsales.com for a complete listing of services and articles.*